



Department of the Treasury

Internal Revenue Service

Privacy Act of 1974, as Amended

AGENCY: Internal Revenue Service, Treasury.

ACTION: Notice of proposed alteration of a Privacy Act system of records.

SUMMARY: In accordance with the requirements of the Privacy Act of 1974, as amended, 5 U.S.C. 552a, the Department of the Treasury, Internal Revenue Service (IRS), gives notice of proposed alteration of a system of records related to the functions of the Office of Professional Responsibility (OPR): Treasury/IRS 37.007, Practitioner Disciplinary Records.

DATES: Comments must be received no later than [INSERT DATE 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER]. The proposed altered system will become effective [INSERT DATE 40 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER], unless the IRS receives comments which cause reconsideration of this action.

ADDRESSES: Comments should be sent to the Office of Privacy, Governmental Liaison and Disclosure, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC 20224. Comments will be available for inspection and copying in the IRS Freedom of Information Reading Room (Room 1621) at the above address. The telephone number for the Reading Room is (202) 622-5164 (not a toll-free number).

FOR FURTHER INFORMATION CONTACT: David Silverman, Management and Program Analyst, Office of Privacy, Governmental Liaison and Disclosure, telephone number (202) 622-5625 (this is not a toll-free number).

SUPPLEMENTARY INFORMATION: The regulations governing practice before the IRS, issued under the authority of 31 U.S.C. 330, are set out at 31 CFR part 10, and are periodically published in pamphlet form as Treasury Department Circular No. 230. Amendments to the regulations were published recently at 76 FR 32286-32312, June 3, 2011. Section 10.1(a)(1) of the amended regulations provides that OPR shall generally have responsibility for matters related to practitioner conduct and discipline, including disciplinary proceedings and sanctions. Sections 10.2(a)(5) and 10.3(f) define "practitioner" to include registered tax return preparers, who, pursuant to 10.3(f)(4), are subject to the regulations in the same manner as other practitioners. Sections 10.8(a) and (c) provide that any individual who for compensation

prepares or assists with the preparation of all or substantially all of a tax return, claim for refund, or other document pertaining to any taxpayer's liability for submission to the IRS is subject to the duties and restrictions relating to practice in subpart B, and well as subject to the sanctions for violation of the regulations in subpart C.

A notice describing Treasury/IRS 37.007 was most recently published at 75 FR 64406-64407, October 19, 2010. Due to the June 3, 2011, amendments to the regulations, conforming alterations must be made to Treasury/IRS 37.007.

For the reason set forth above, the IRS proposes to alter the system of records as follows.

TREASURY/IRS 37.007

SYSTEM NAME:

Practitioner Disciplinary Records—Treasury/IRS

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CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Description of changes: The following categories of individuals are added: registered tax return preparers, and any individual who for compensation prepares or assists with the preparation of all or substantially all of a tax return, claim for refund, or other document pertaining to any taxpayer's liability for submission to the IRS. When altered as proposed, Categories of Individuals Covered by the System will read as follows:

"Subjects and potential subjects of disciplinary proceedings relating to attorneys, certified public accountants, enrolled agents, enrolled actuaries, enrolled retirement plan agents, appraisers, registered tax return preparers, and any individual who for compensation prepares or assists with the preparation of all or substantially all of a tax return, claim for refund, or other document pertaining to any taxpayer's liability for submission to the IRS; subjects or potential subjects of actions to deny eligibility to engage in limited practice before the IRS or actions to withdraw eligibility to practice before the IRS in any other capacity; individuals who have received disciplinary sanctions or whose eligibility to practice before the IRS has been denied or withdrawn; and individuals who have submitted to OPR information concerning potential violations of 31 CFR part 10. "

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ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Description of changes: In routine use (8), item (a), the following professional designations are added to the list of professional designations: registered tax return preparer, or any individual who for compensation prepares or assists with the preparation of all or substantially all of a tax return, claim for refund, or other document pertaining to any taxpayer's liability for submission to the IRS. Also in routine use (8), item (a), the following professional designation is added to the list of individuals who have resigned: registered tax return preparer. When altered as proposed, routine use (8) will read as follows:

"(8) Make available for public inspection or otherwise disclose to the general public, after the final agency decision has been issued or after OPR has taken final action: (a) the name, mailing address, professional designation (attorney, certified public accountant, enrolled agent, enrolled actuary, enrolled retirement plan agent, appraiser, registered tax return preparer, or any individual who for compensation prepares or assists with the preparation of all or substantially all of a tax return, claim for refund, or other document pertaining to any taxpayer's liability for submission to the IRS), type of disciplinary sanction, effective dates, and information about the conduct that gave rise to the sanction pertaining to individuals who have been censured, individuals who have been suspended or disbarred from practice before the IRS, individuals who have resigned as an enrolled agent, an enrolled retirement plan agent, or a registered tax return preparer in lieu of a disciplinary proceeding being instituted or continued, individuals upon whom a monetary penalty has been imposed, and individual appraisers who have been disqualified; and (b) the name, mailing address, representative capacity (family member; general partner; full-time employee or officer of a corporation, association, or organized group; full-time employee of a trust, receivership, guardianship, or estate; officer or regular employee of a government unit; an individual representing a taxpayer outside the United States; or unenrolled return preparer), the fact of the denial of eligibility for limited practice, effective dates, and information about the conduct that gave rise to the denial pertaining to individuals who have been denied eligibility to engage in limited practice before the IRS pursuant to 31 CFR part 10."

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The report of the altered system of records, as required by 5 U.S.C. 552a(r) of the Privacy Act, has been submitted to the Committee on Oversight and Government Reform of the House of

Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Office of Management and Budget (OMB).

Dated: August 21, 2012

Melissa Hartman,

Deputy Assistant Secretary for Privacy, Transparency, and Records

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